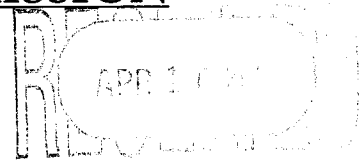


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

P

W-01774A  
PICACHO WATER IMPROVEMENT  
P. O. BOX 44  
PICACHO AZ 85421-

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2001</b>
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FOR COMMISSION USE

<b>ANN04</b>	<b>01</b>
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Processed by:

6-19-02 CW-

SCANNED

20 SEP 2002

## COMPANY INFORMATION

<b>Company Name (Business Name)</b>		Picacho Water Improvement Corporation			
Mailing Address		P.O. Box 44			
(Street)					
Picacho	Arizona	85241			
(City)	(State)	(Zip)			
(520) 466-3787					
Telephone No. (Include Area Code)		Fax No. (Include Area Code)		Pager/Cell No. (Include Area Code)	
Email Address					
Local Office Mailing Address		Sam E			
(Street)					
(City)		(State)		(Zip)	
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)		Pager/Cell No. (Include Area Code)	
Email Address					

## MANAGEMENT INFORMATION

<b>Management Contact:</b>		Ed Kile		Manager	
(Name)		(Title)			
P.O. Box 44		Picacho	Arizona	85241	
(Street)		(City)	(State)	(Zip)	
(520) 466-3787					
Telephone No. (Include Area Code)		Fax No. (Include Area Code)		Pager/Cell No. (Include Area Code)	
Email Address					
<b>On Site Manager:</b>		Ed Kile			
(Name)		(Title)			
P.O. Box 44		Picacho	AZ	85241	
(Street)		(City)	(State)	(Zip)	
(520) 466-3787					
Telephone No. (Include Area Code)		Fax No. (Include Area Code)		Pager/Cell No. (Include Area Code)	
Email Address					
See Accountant's Report					

<b>Statutory Agent:</b> <u>Ed Kile</u>			
(Name)			
<u>P.O. Box 44</u>	<u>Picacho</u>	<u>Arizona</u>	<u>85241</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 466-3787</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Attorney:</b> <u>Robert Lynch</u>			
(Name)			
<u>340 E. Palm Lane</u>	<u>Phoenix</u>	<u>Arizona</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 254-5908</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

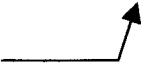
<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input checked="" type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

**COMPANY NAME**

Picacho Water Improvement Corporation

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	700	0	700
304	Structures and Improvements	933	933	0
307	Wells and Springs	7,479	3,944	3,535
311	Pumping Equipment	80,381	71,265	9,116
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	25,619	25,619	0
331	Transmission and Distribution Mains	61,778	61,778	0
333	Services			
334	Meters and Meter Installations	4,320	3,932	388
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,555	1,555	0
341	Transportation Equipment	9,245	9,245	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	3,251	3,251	0
	<b>TOTALS</b>	<b>195,261</b>	<b>181,522</b>	<b>13,739</b>

This amount goes on the Balance Sheet Acct. No. 108 

See Accountant's Report

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	700		
304	Structures and Improvements	933		
307	Wells and Springs	7,479	20%	225
311	Pumping Equipment	80,381	20%	850
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	25,619		
331	Transmission and Distribution Mains	61,778		
333	Services			
334	Meters and Meter Installations	4,320	20%	51
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,555		
341	Transportation Equipment	9,245		
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	3,251		
348	Other Tangible Plant			
	<b>TOTALS</b>	195,261		1,126

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

See Accountant's Report

<b>COMPANY NAME</b>	Picacho Water Improvement Corporation
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## BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 18,683	\$ 16,847
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	9,629	14,323
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	95	298
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 28,407	\$ 31,468
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 195,261	\$ 195,261
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	180,396	181,522
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 14,865	\$ 13,739
	<b>TOTAL ASSETS</b>	\$ 43,272	\$ 45,207

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

See Accountant's Report

<b>COMPANY NAME</b>	Picacho Water Improvement Corporation
---------------------	---------------------------------------

### **BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	6,902	6,962
236	Accrued Taxes	1,223	1,663
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 8,125	\$ 8,625
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 28,476	\$ 23,628
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 36,601	\$ 32,253
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 13,339	\$ 13,339
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(6,668)	(385)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 6,671	\$ 12,954
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 43,272	\$ 45,207

See Accountant's Report

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 53,568	\$ 53,936
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 53,568	\$ 53,936
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	11,006	9,183
618	Chemicals		
620	Repairs and Maintenance	9,165	8,661
621	Office Supplies and Expense		973
630	Outside Services	5,200	4,900
635	Water Testing	1,263	1,462
641	Rents		
650	Transportation Expenses	394	231
657	Insurance – General Liability	993	1,001
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	4,141	7,972
403	Depreciation Expense	5,582	1,126
408	Taxes Other Than Income	3,068	3,218
408.11	Property Taxes	2,933	5,125
409	Income Tax	1,223	1,663
	<b>TOTAL OPERATING EXPENSES</b>	\$ 44,968	\$ 45,515
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 123	\$ 146
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	1,826	2,284
	<b>TOTAL OTHER INCOME/EXP</b>	\$ 1,703	\$ 2,138
	<b>NET INCOME/(LOSS)</b>	\$ 6,897	\$ 6,283

See Accountant's Report



**COMPANY NAME**

Picacho Water Improvement Corporation

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	11-18-71	8-6-80		
Source of Loan	FHA	FHA		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 30,000	\$ 25,000	\$	\$
Amount Outstanding	\$ 141,154	\$ 9,474	\$	\$
Date of Maturity	5-2017	6-2008		
Interest Rate	5%	5%		
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$ 245	\$ 1,876	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

See Accountant's Report

COMPANY NAME

Picacho Water Improvement Corporation

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
622043	40	300	14"	6"
622044	25	65	12"	3"

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
50	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	7,500	1

See Accountant's Report

## STATISTICAL INFORMATION

Total number of customers	129	
Total number of gallons sold	22,427,551	gallons

See Accountant's Report

COMPANY NAME

Picacho Improvement Corporation YEAR ENDING 12/31/2001

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>7,392</u>
Estimated or Actual Federal Tax Liability	<u>1,139</u>
State Taxable Income Reported	<u>7,946</u>
Estimated or Actual State Tax Liability	<u>554</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>                    </u>
Amount of Gross-Up Tax Collected	<u>                    </u>
Total Grossed-Up Contributions/Advances	<u>                    </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Geo L Tallent  
SIGNATURE

4/12/02  
DATE

George Tallent  
PRINTED NAME

Vice-President  
TITLE

See Accountant's Report

COMPANY NAME Picacho Water Improvement Corp YEAR ENDING 12/31/2001

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 3,768.

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

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**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pinal</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Ed Kile, Manager</u>
COMPANY NAME <u>Picacho Water Improvement Corporation</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 53936.

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 3218.  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Ed Kile / Secretary  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 466-3787  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
Ofelia Rivera  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

COUNTY NAME <u>Pinal</u>	
MONTH <u>September</u>	<u>2002</u>

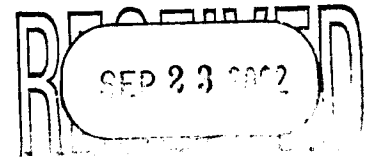
(SEAL)  
MY COMMISSION EXPIRES



Ofelia Rivera  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) PINAL	
NAME (OWNER OR OFFICIAL) ED KILE	TITLE MANAGER
COMPANY NAME PICACHO WATER IMPROVEMENT CORPORATION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 41,069.

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2,464.  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X   
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

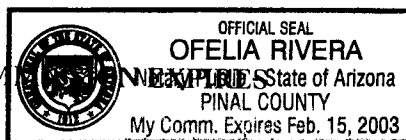
12th


DAY OF

NOTARY PUBLIC NAME Ofelia Rivera	
COUNTY NAME Pinal	
MONTH September	2002

(SEAL)

MY COM



X   
SIGNATURE OF NOTARY PUBLIC

# Pinal County Treasurer TAX RECEIPT

PO Box 729

Florence, AZ 85232-0729

Phone: (520) 868-6412 Fax: (520) 868-9007

www.co.pinal.az.us/treasurer

e-mail: treasurer@co.pinal.az.us

Paid By: PICACHO WATER IMPROVEMENT CORP  
ARLENE KILE/SEC-TREAS  
  
P O BOX 44  
PICACHO AZ, 85241

CNTR Batch: 1988934  
Payment Date: 11/13/2001  
Interest Date: 11/13/2001  
Printed By: TRSDSH

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
920-13-30801	2000 Taxes	1,763.82		
	2000 Int/Fee	166.39		
	Paid	1,930.21		
920-13-30801	2001 Taxes	1,813.68		
	2001 Int/Fee	24.18		
	Paid	1,837.86	1,813.68	05/01/2002
	<b>Total Paid</b>	<b>3,768.07</b>		
TOTAL VALUE OF OPERATING PROPERTY				
411-20-037	258 411-22-025			
073	411-23-047 9,985			
-----				